

(a) what is the total number of proposals received from the NRIs/MNCs for investment in PSUs selected by Government for disinvestment;

(b) whether Government have granted permission to any NRIs/MNCs for investment so far during the current financial year;

(c) if so, what are the names of those proposals from multi-national companies and non-resident Indians which have been received so far; and

(d) what are the rules and regulations to monitor the investment of NRI/MNCs in Public Sector Undertakings?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) At present Government has decided to disinvest in 17 PSUs and the disinvestment process with regard to these 17 PSUs is at various stages of process.

(b) During the current year from 1.4.2000 till date no disinvestment in PSUs has taken place.

(c) Does not arise.

(d) Disinvestment of Government equity stake in PSUs has been through a process of open offers either in the domestic capital market by way of sale of rupee denominated shares or in the external capital market by way of issue of ADR's/GDR's representing the underlying rupee shares. Consequently for GDR/ADR all classes/categories of foreign investors including NRI's/MNC's are entitled to purchase the disinvested shares. NRI's also have the portfolio route to the disinvested PSU share in the domestic market subject to a prescribed limit. As these have been open offers, individual proposals were neither received nor were required to be considered and cleared. In case of ADR/GDR offering, as this is reckoned as per of FDI, approval of FIPB were required is to be obtained for the ADR/GDR offering by the issuer company/PSU.

### **Chief Ministers submission on Financial Crisis of States**

1782. SHRI V. V. RAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Chief Minister of States, jointly or individually submitted certain request to Government seeking certain urgent measures to find a solution to the serious financial crisis the State are facing;

(b) if so, what are the requests they have made; and

(c) what is the response of the Central Government to these proposals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) Owing to the impact of the Fifth Pay Commission's recommendations, Ways and Means problems of the States got accentuated in 1999-2000. The Chief Ministers of some States had written to the Government of India asking for general and specific relief. In order to alleviate the mismatch in the States' cash flows, the Government of India took the following steps from time to time:

(1) Advanced the releases of plans assistance; Small Savings Loans and Share in Central Taxes;

(2) Deferred repayment dues by few months;

(3) Provided Ways and Means Advance during the year;

(4) Extended Ways and Means Advance and additional Open Market Borrowing were given to thirteen States, linked to fiscal reform programme that these States had undertaken in consultation with Government of India. Other States who had approached the Centre for Ways and Means assistance were provided within the year need based support.

#### **GDP growth rate**

†1783. SHRI D. P. YADAV:

SHRI BRAHMAKUMAR BHATT:

Will the Minister of FINANCE be pleased to state:

(a) the growth rate of GDP during 1998-99 and 1999-2000;

(b) whether it has been decelerating;

(c) if so, the reason therefor; and

(d) the steps being taken to increase it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) As per the latest available data with the Central Statistical Organisation, the growth in real gross domestic product (GDP) was 6.8 percent in 1998-99 (Quick estimates) and 6.4 percent in 1999- 2000 (Revised estimates).

(c) The slowdown in GDP growth in 1999-2000 is mainly due to decline in GDP in agriculture, forestry and fishing from 7.2 percent in 1998-99 to 1.3

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†Original notice of the question was received in Hindi.